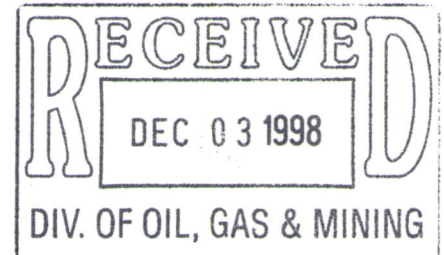




Brush Wellman Inc.
P.O. Box 815
Delta, Utah 84624
Phone 435/864-2701

November 25, 1998

Tom Munson
Senior Reclamation Specialist
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84115-5801



Re: Proposed Amendment to the 1988 Revision of the Mining and Reclamation Plan

Dear Tom:

Pursuant to your request, I am addressing the criteria for a plan *amendment* as defined in the form "Criteria for Defining Amendments and Revisions" (effective May 22, 1991) as it pertains to the subject plan. Note that the criteria for differentiating between a plan revision and a plan amendment are defined first and that the response follows.

1. **Criterion:** The acreage will increase by 50% of the existing acreage or 50 acres, whichever is smaller. For example, if a 10 acre site increases by 5 acres, it would then fall within this category.
 - **BWI Response:** The acreage increase over the existing approved acreage (1,189 acres) is estimated to be 10 acres on the Section 16 South #1 and 12 acres on the Rainbow #2 for a total of 22 acres. This is less than 50% of the existing total approved acreage and less than 50 acres, thereby placing this criterion into the *amendment* category.
2. **Criterion:** The surety will increase by 25% of the existing surety or \$50,000, whichever is smaller
 - **BWI Response:** The anticipated increase in surety in the year 2000 will be secured by means of a single year "supplemental" bond for the amount of \$179,400. The attached spreadsheet provides the calculations for this supplement. This will leave the existing surety unaffected, thereby placing this criterion into the *amendment* category.
3. **Criterion:** The overall additional environmental impacts are considered significant, when compared with impacts already affecting the site. The degree of change would not be negligible. This determination is made after evaluating the impacts to soils, vegetation, hydrology (ground and surface), wildlife, air, or other media.

- **BWI Response:** The overall additional environmental impacts will be assessed. Inventories of cultural resources, threatened and endangered species (T&E), and other considerations will be included in an “environmental assessment” prepared under the direction of the BLM. Results of these inventories revealed the presence of no T&E species on public lands and found that no eligible cultural resources sites will be affected by the proposed operations. However, BLM concurrence with these finding is subject to their review.
4. **Criterion:** The impacts proposed in the amendment are significant enough to warrant the need for an opportunity for public comment.
- **BWI Response:** The impacts proposed in this amendment are primarily a result of shifts in market demand. The overall intent, schedule, and chronology of the plan are adjusted to meet this demand. Aside from the above stated acreage increase, the impacted area was originally intended to be mined in the approved plan. Therefore, this area was previously subject to public comment.

Please contact me at (435) 864-5556 ext. 105 during regular business hours if you have any questions or require further information.

Sincerely,

John Wagner by W.H.

John R. Wagner
Sr. Eng. Tech

jw

Attachment: 1

cc: Greg Hawkins

File

BRUSHWELLMAN

ENGINEERED MATERIALS

Maximum Cumulative Reclamation Liability Bonding Calculations

YEAR	1988 Bonding Calculation			1998 Bonding Calculation		
	88R x S x	Total Escalated	Annual Escalated	98A x S x C	Total Escalated	Annual Escalated
		Dollars	Dollars		Dollars	Dollars
1988	\$221,300			\$357,600		
1989		\$226,390	\$ 5,090		\$363,930	\$ 6,330
1990		\$231,597	\$ 5,207		\$366,732	\$ 2,802
1991		\$236,924	\$ 5,327		\$371,389	\$ 4,657
1992		\$242,373	\$ 5,449		\$379,597	\$ 8,208
1993		\$247,947	\$ 5,575		\$389,504	\$ 9,907
1994		\$253,650	\$ 5,703		\$402,008	\$ 12,503
1995		\$259,484	\$ 5,834		\$409,766	\$ 7,759
1996		\$265,452	\$ 5,968		\$419,683	\$ 9,916
1997		\$271,558	\$ 6,105		\$429,587	\$ 9,905
1998		\$277,804	\$ 6,246		\$439,210	\$ 9,623
1999		\$284,193	\$ 6,389		\$449,048	\$ 9,838
2000		*\$290,729	\$ 6,536		\$459,107	\$ 10,059
2001		\$297,416	\$ 6,687		\$469,391	\$ 10,284
2002		\$304,257	\$ 6,841		\$479,905	\$ 10,514
2003		\$311,255	\$ 6,998		\$490,655	\$ 10,750
15 Years			\$ 90,000			\$133,100
Summary:						
Maximum Escalated Bonding Requirements 1988 Revision:					\$311,300	
Maximum Escalated Bonding Requirements 1998 Amendment:					\$490,700	
"Supplemental" Bonding Requirements 1998 Amendment (year 2000):					\$179,400	
Note:				Actual Escalation		
Three Year Escalation Average (1995 - 1997)				2.24%	1989	1.77%
Average Escalation Rate from 1989 thru 2003				2.13%	1990	0.77%
Variables:					1991	1.27%
"88R"	Maximum Liability 1988 Revision:			\$182,900	1992	2.21%
"98A"	Maximum Liability 1998 Amendme			\$295,500	1993	2.61%
Note: above values are expressed in 1988 Dollars					1994	3.21%
"S"	Supervision:		10.0%		1995	1.93%
"C"	Contingency:		10.0%		1996	2.42%
"E"	Escalation Rate:		2.3%		1997	2.36%
Sources:					1998	2.24%
1988 MRP Revision (pg. 69-70)					1999	2.24%
1998 Proposed MRP Amendment (pg. 70)					2000	2.24%
DOGM Letter of 12/21/88					2001	2.24%
Reclamation Contract Approval 2/3/89					2002	2.24%
					2003	2.24%